

Responsible Investment Collaborations

As a long-term investor and representative of asset owners, Border to Coast Pensions Partnership is a strong advocate of responsible investment and holding companies to account on environmental, social and governance issues (ESG). This is central to Border to Coast's corporate and investment ethos and a key part of improving outcomes for our Partner Funds and delivering their objectives.

Border to Coast is focussing on a number of broad responsible investment themes. High standards of **corporate governance** are expected of companies as this then tends to feed through to good management of environmental and social factors. **Transparency and disclosure** from companies is essential for investors to understand the underlying risks within portfolios and investee companies; this covers, but is not limited to, financial, climate and workforce risk. **Diversity** on boards and within an organisation is important to ensure that a company is sustainable. There is growing evidence that more diverse boards result in better performing companies, leading to better investment returns and financial outcomes for investors.

ROBECO The Investment Engineers

To fulfil stewardship objectives Border to Coast has appointed Robeco as its voting and engagement service provider; an experienced partner with similar values who we will work with to ensure active ownership across all investments. Robeco provides active ownership services to institutional investors, enabling them to become active owners of listed companies. An effective active ownership program consists of voting and engagement. Robeco votes at shareholder meetings and engages with the senior management of listed companies to address ESG issues on behalf of its clients. Robeco will support voting across internally and externally managed portfolios and engage with companies held within internally managed sub-funds on our behalf.

Border to Coast will look to work collaboratively with other like-minded investors and bodies to maximise its influence, particularly when it is more effective than acting alone. This will be achieved through actively collaborating with various other external groups and investor coalitions. To be able to effect change it is important to focus on specific ESG issues; areas of focus are governance, transparency and disclosure, and diversity.

Border to Coast is currently partnered with the following organisations:



The Local Authority Pension Fund Forum (LAPFF) exists to promote the long-term investment interests of local authority pension funds, and to maximise their influence as shareholders by promoting the highest standards of corporate governance and responsibility among investee companies.

<http://www.lapfforum.org/>



The 30% Club Investor Group was established in 2011. Its purpose is to:

- co-ordinate the investment community's approach to diversity, in particular to explain the investment case for more diverse boards and senior management teams;
- exercise our ownership rights, including voting and engagement, to effect change on company boards and within senior management teams;
- encourage all investors to engage on the issue of diversity with chairs of boards and senior management teams.

<https://30percentclub.org/initiatives/investor-group>



Climate Action 100+ is a five-year initiative led by investors to engage systemically important greenhouse gas emitters and other companies across the global economy that have significant opportunities to drive the clean energy transition and help achieve the goals of the Paris Agreement. Investors are calling on companies to improve governance on climate change, curb emissions and strengthen climate-related financial disclosures.

<http://www.climateaction100.org/>



The Financial Stability Board's **Task Force on Climate-related Financial Disclosures (TCFD)** has developed a voluntary framework for companies and investors to provide climate-related information in annual financial reports based around governance, strategy, risk management and metrics, applicable to organisations (including asset owners) across sectors and jurisdictions.

<https://www.fsb-tcf.org/>



The **Workforce Disclosure Initiative (WDI)** was launched by ShareAction in 2017 with funding from the UK Department for International Development. The initiative focuses on promoting transparency on human capital management reporting from listed companies.

<https://shareaction.org/wdi/>



The Local Government Pension Scheme Advisory Board Code of Transparency

Border to Coast Pensions Partnership is a pool of 12 Local Government Pension Scheme funds with collective assets under management of c. £47bn. Border to Coast will be investing on behalf of Bedfordshire, Cumbria, Durham, East Riding, Lincolnshire, Northumberland, North Yorkshire, South Yorkshire, Surrey, Teesside, Tyne and Wear and Warwickshire. As a customer-owned and customer-focused organisation, Border to Coast is committed to providing clear, concise and fully transparent reporting to its customers and other stakeholders. Border to Coast is also a strong advocate of responsible investment and holding companies to account on environmental, social and governance issues and views that transparency in reporting is a key part of this. Border to Coast expects the same values from those asset managers with whom we work.

<https://www.lgpsboard.org/index.php/manager-list>

IIGCC

Institutional Investors Group on Climate Change

The Institutional Investor Group on Climate Change (IIGCC) provides a collaborative forum for pension funds and other institutional investors to engage with policy makers, regulators and companies to address the long-term risks and opportunities associated with climate change.

<http://www.iigcc.org/>